

Remarks

The Office Action dated April 1, 1996 has been carefully reviewed and the foregoing preliminary amendment has been made in consequence thereof.

Claims 1 - 11 and 18 - 36 are pending in this application. Claims 12 - 17 have been cancelled. Claims 19 - 36 are newly added. Claims 1 - 18 were rejected in the April 1, 1996 Office Action.

The present application is a file wrapper continuation type application of U.S. Patent Application Serial No. 08/367,056, filed December 30, 1994, which is a continuation-in-part type application of U.S. Patent Application Serial No. 08/296,120, filed August 25, 1994, which is a continuation type application of U.S. Patent Application Serial No. 07/787,536, filed November 4, 1991. U.S. Patent Application Serial No. 08/367,056 is referred to herein as the "C-I-P Application", U.S. Patent Application Serial No. 08/296,120 is referred to herein as the "Continuation Application", and U.S. Patent Application Serial No. 07/787,536 is referred to herein as the "Parent Application".

Applicants respectfully point out that Claims 1 - 18 were originally filed in the C-I-P Application and that the first Office Action, dated November 3, 1995, related to the C-I-P Application did not contain a rejection of nor discuss originally filed Claim 18. Originally filed Claim 18 was first rejected in the second Office Action dated April 1, 1996 and made final.

The rejection of Claims 1 - 18 under 35 U.S.C. § 102 as anticipated by or, in the alternative, under 35 U.S.C. § 103 as

obvious over the publication "The Heller Report" is respectfully traversed. In the November 3, 1995 Office Action, which is incorporated by reference into the April 1, 1996 Office Action, it is set forth that The Heller Report discloses the following.

1. A distribution system that offers users [e.g., students] a "rent"-or-buy option for electronic versions of textbooks with self-erase after a fixed time.
2. The use of valid ID card in order for the user to download any number of available books at their local point of purchase from a large databank via satellite.
3. Books will be downloaded only to those verified as users.
4. Each PIN-verified (Personal Identification Number) customer will have an electronic "signature" embedded in his or her copy at the POP (point of purchase), so that only his or her hardware device can read it.
5. Users renting or buying text cannot make copies.
6. Rental texts will be programmed to self-erase after a prefixed number of weeks or months.

The Parent Application describes:

1. A distribution system that offers users [e.g., students] a "rent"-or-buy option for electronic versions of textbooks with self-erase after a fixed time. See, e.g., Parent Application, page 14, lines 8 - 25.
2. User's download any number of available books at their local point of purchase. See, e.g., Parent Application, page 5, lines 1 - 31.
3. Books will be downloaded only to those verified as users. See, e.g., Parent Application, page 22, lines 6 - 9.
4. Customer will have an electronic "signature" embedded in his or her copy at the POP (point of purchase), so that only his or her hardware device can read it. See, e.g., Parent Application, page 22, line 6 - 9.

5. Users renting or buying text cannot make copies. See, e.g., Parent Application, page 29, line 32 - page 34, line 31.
6. Rental texts will be programmed to self-erase after a prefixed number of weeks or months. See, e.g., Parent Application, page 14, lines 8 - 25.

The Parent Application was filed November 4, 1991 and, based on the foregoing, is respectfully submitted to substantially describe the structure from The Heller Report cited in the subject Office Actions. The Heller Report is dated October, 1993. Applicants therefore respectfully submit that cited structure from The Heller Report is not available as prior art under 35 U.S.C. § 102(b) and § 103 in the present application. Accordingly, Applicants respectfully request that the 35 U.S.C. § 102(b) and § 103 rejection of Claims 1 - 11 and 18 be withdrawn. Claims 12 - 17 have been cancelled.

In addition, The Heller Report does not mention, describe, or suggest the encryption described and claimed in the present application. Claims 1 - 10 recite such encryption. For example, independent Claim 1 recites "said local unit being configured to encrypt the information when the information is to be transferred to the electronic storage media". No such encryption is described or suggested in The Heller Report. Therefore, Applicants respectfully submit that Claim 1 is patentably distinguishable from The Heller Report.

Claims 2 - 5 depend, directly or indirectly, from independent Claim 1. When considered in combination with the recitations in independent Claim 1, Applicants respectfully

submit that Claims 2 - 5 also are patentable over The Heller Report.

Independent Claim 6 recites "encryption means for dynamically encrypting information transferred through said second interface to the users' memory units." The Heller Report does not suggest or describe such "encryption means". Applicants therefore respectfully submit that Claim 6 is patentably distinguishable from The Heller Report.

Claims 7 - 10 depend, directly or indirectly, from independent Claim 6. When considered in combination with the recitations in independent Claim 6, Applicants respectfully submit that Claims 7 - 10 likewise are patentable over The Heller Report.

For the reasons set forth above, Applicants respectfully request that the Section 102(b) and 103 rejections of Claims 1-11 and 18 be withdrawn. Claims 12 - 17 have been cancelled.

Newly added Claims 19 - 24 depend, directly or indirectly, from independent Claim 11. Such claims recite additional structure which, when considered in combination with the structure recited in Claim 11, is respectfully submitted to be patentably distinguishable over the cited art.

Newly added independent Claim 25 recites "said local unit configured to encrypt the information when the information is to be transferred to the electronic storage media, said local unit configured to encrypt the information utilizing information stored on said user's storage media." As explained above, The Heller Report does not mention, describe, or suggest such

encryption. Applicants respectfully submit that Claim 25 is patentable over the cited art, including The Heller Report.

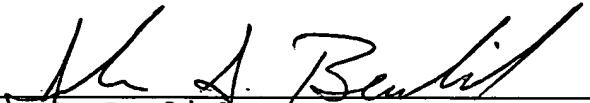
Newly added Claims 26 - 32 depend, directly or indirectly, from independent Claim 25. When considered in combination with the recitations in independent Claim 25, Applicants respectfully submit that Claims 26 - 32 also are patentable over the cited art.

Newly added independent Claim 33 recites "an encryption unit for dynamically encrypting information transferred through said memory unit interface to the user's memory unit, said encryption unit configured to encrypt the information, utilizing data stored on the user's memory unit, when the information is to be transferred to the memory unit." Again, Applicants respectfully submit that The Heller Report does not mention, describe, or suggest such encryption. Applicants respectfully submit that Claim 33 is patentable over the cited art, including The Heller Report.

Newly added Claims 34 - 36 depend, directly or indirectly, from independent Claim 33. When considered in combination with the recitations in independent Claim 33, Applicants respectfully submit that Claims 34 - 36 also are patentable over the cited art.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Favorable action is respectfully solicited.

Respectfully submitted,



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